

House File 412 - Introduced

HOUSE FILE 412

BY LOHSE

A BILL FOR

1 An Act relating to the acceptance of beverage containers by
2 dealers and redemption centers and providing effective date
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455C.1, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 12A. "*Participating dealer*" means a dealer
4 who accepts the return of empty beverage containers from a
5 consumer.

6 Sec. 2. Section 455C.2, Code 2019, is amended to read as
7 follows:

8 **455C.2 Refund values.**

9 1. A refund value of not less than five cents shall be paid
10 by the consumer on each beverage container sold in this state
11 by a dealer for consumption off the premises. Upon return of
12 the empty beverage container upon which a refund value has
13 been paid to the participating dealer or person operating
14 a redemption center and acceptance of the empty beverage
15 container by the participating dealer or person operating a
16 redemption center, the participating dealer or person operating
17 a redemption center shall return the amount of the refund value
18 to the consumer.

19 2. In addition to the refund value provided in subsection 1
20 of this section, a participating dealer, ~~or~~ person operating a
21 redemption center who redeems empty beverage containers, or a
22 dealer agent shall be reimbursed by the distributor required to
23 accept the empty beverage containers an amount ~~which~~ that is
24 one cent per container. A participating dealer, dealer agent,
25 or person operating a redemption center may compact empty
26 metal beverage containers with the approval of the distributor
27 required to accept the containers.

28 Sec. 3. Section 455C.3, subsections 1, 2, and 4, Code 2019,
29 are amended to read as follows:

30 1. A participating dealer shall not refuse to accept from a
31 consumer any empty beverage container of the kind, size, and
32 brand sold by the participating dealer, or refuse to pay to the
33 consumer the refund value of a beverage container as provided
34 under section 455C.2.

35 2. A distributor shall accept and pick up from a

1 participating dealer served by the distributor or a redemption
 2 center for a dealer served by the distributor at least weekly,
 3 or when the distributor delivers the beverage product if
 4 deliveries are less frequent than weekly, any empty beverage
 5 container of the kind, size, and brand sold by the distributor,
 6 and shall pay to the participating dealer or person operating
 7 a redemption center the refund value of a beverage container
 8 and the reimbursement as provided under [section 455C.2](#) within
 9 one week following pickup of the containers or when the
 10 participating dealer or redemption center normally pays the
 11 distributor for the deposit on beverage products purchased from
 12 the distributor if less frequent than weekly. A distributor
 13 or employee or agent of a distributor is not in violation
 14 of [this subsection](#) if a redemption center is closed when the
 15 distributor attempts to make a regular delivery or a regular
 16 pickup of empty beverage containers. [This subsection](#) does
 17 not apply to a distributor selling alcoholic liquor to the
 18 alcoholic beverages division of the department of commerce.

19 4. A distributor shall accept from a dealer agent any empty
 20 beverage container of the kind, size, and brand sold by the
 21 distributor and ~~which~~ that was picked up by the dealer agent
 22 from a participating dealer within the geographic territory
 23 served by the distributor and the distributor shall pay the
 24 dealer agent the refund value of the empty beverage container
 25 and the reimbursement as provided in [section 455C.2](#).

26 Sec. 4. Section 455C.4, Code 2019, is amended to read as
 27 follows:

28 **455C.4 Refusal to accept containers.**

29 1. Except as provided in [section 455C.5, subsection 3](#), a
 30 participating dealer, a person operating a redemption center, a
 31 distributor or a manufacturer may refuse to accept any empty
 32 beverage container which does not have stated on it a refund
 33 value as provided under [section 455C.2](#).

34 2. A dealer may refuse to accept and to pay the refund value
 35 of any empty beverage container ~~if the place of business of the~~

1 ~~dealer and the kind and brand of empty beverage containers are~~
 2 ~~included in an order of the department approving a redemption~~
 3 ~~center under section 455C.6 after providing notice to the~~
 4 ~~department.~~

5 3. ~~A dealer or a distributor may refuse to accept and to pay~~
 6 ~~the refund value of an empty wine or alcoholic liquor container~~
 7 ~~which is marked to indicate that it was sold by a state liquor~~
 8 ~~store. The alcoholic beverages division shall not reimburse~~
 9 ~~a dealer or a distributor the refund value on an empty wine or~~
 10 ~~alcoholic liquor container which is marked to indicate that the~~
 11 ~~container was sold by a state liquor store.~~

12 4. 3. A class "E" liquor control licensee may refuse to
 13 accept and to pay the refund value on an empty alcoholic liquor
 14 container from a participating dealer or a redemption center
 15 or from a person acting on behalf of or who has received empty
 16 alcoholic liquor containers from a participating dealer or a
 17 redemption center.

18 5. 4. A manufacturer or distributor may refuse to accept
 19 and to pay the refund value and reimbursement as provided in
 20 section 455C.2 on any empty beverage container that was picked
 21 up by a dealer agent from a participating dealer outside the
 22 geographic territory served by the manufacturer or distributor.

23 Sec. 5. Section 455C.6, subsections 1, 2, and 5, Code 2019,
 24 are amended to read as follows:

25 1. To facilitate the return of empty beverage containers
 26 and to serve dealers of beverages, any person may establish a
 27 redemption center, ~~subject to the approval of the department,~~
 28 at which consumers may return empty beverage containers
 29 and receive payment of the refund value of such beverage
 30 containers.

31 2. ~~An application for approval of~~ Written notice of the
 32 operation of a redemption center shall be filed with the
 33 department. The application notice shall state the name and
 34 address of the person responsible for the establishment and
 35 operation of the redemption center, the kind and brand names

1 of the beverage containers ~~which~~ that will be accepted at the
2 redemption center, and the names and addresses of the dealers
3 to be served by the redemption center. The ~~application~~ notice
4 shall contain such other information as the director may
5 reasonably require.

6 5. All ~~approved~~ redemption centers shall meet applicable
7 health standards.

8 Sec. 6. Section 455C.6, subsections 3 and 4, Code 2019, are
9 amended by striking the subsections.

10 Sec. 7. Section 455C.12, subsections 2 and 3, Code 2019, are
11 amended to read as follows:

12 2. A distributor who collects or attempts to collect
13 a refund value on an empty beverage container when the
14 distributor has paid the refund value on the container to a
15 participating dealer, redemption center, or consumer is guilty
16 of a fraudulent practice.

17 3. Any person who does any of the following acts is guilty
18 of a fraudulent practice:

19 a. Collects or attempts to collect the refund value on the
20 container a second time, with the knowledge that the refund
21 value has once been paid by the distributor to a participating
22 dealer, redemption center, or consumer.

23 b. Manufactures, sells, possesses or applies a false or
24 counterfeit label or indication which shows or purports to show
25 a refund value for a beverage container, with intent to use the
26 false or counterfeit label or indication.

27 c. Collects or attempts to collect a refund value on
28 a container with the use of a false or counterfeit label
29 or indication showing a refund value, knowing the label or
30 indication to be false or counterfeit.

31 Sec. 8. Section 455C.14, subsection 1, Code 2019, is amended
32 to read as follows:

33 1. If the refund value indication required under section
34 455C.5 on an empty nonrefillable metal beverage container
35 is readable but the redemption of the container is lawfully

1 refused by a participating dealer or person operating a
 2 redemption center under other sections of this chapter or
 3 rules adopted pursuant to these sections, the container
 4 shall be accepted and the refund value paid to a consumer
 5 as provided in this section. Each beer distributor selling
 6 nonrefillable metal beverage containers in this state shall
 7 provide individually or collectively by contract or agreement
 8 with a dealer, person operating a redemption center, or another
 9 person, at least one facility in the county seat of each county
 10 where refused empty nonrefillable metal beverage containers
 11 having a readable refund value indication as required by
 12 this chapter are accepted and redeemed. In cities having a
 13 population of twenty-five thousand or more, the number of the
 14 facilities provided shall be one for each twenty-five thousand
 15 population or a fractional part of that population.

16 Sec. 9. REPEAL. Sections 455C.7 and 455C.10, Code 2019,
 17 are repealed.

18 Sec. 10. EFFECTIVE DATE. The following take effect July 1,
 19 2020:

20 The sections of this Act amending sections 455C.1, 455C.2,
 21 455C.3, and 455C.4.

22 Sec. 11. EFFECTIVE DATE. The following, being deemed of
 23 immediate importance, take effect upon enactment:

24 The sections of this Act amending or repealing sections
 25 455C.6, 455C.7, 455C.10, 455C.12, and 455C.14.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
 28 the explanation's substance by the members of the general assembly.

29 This bill relates to acceptance of beverage containers by
 30 dealers and redemption centers.

31 Current law allows a consumer to take an eligible beverage
 32 container to a dealer, dealer agent, or a redemption center and
 33 receive a 5-cent refund for every eligible beverage container
 34 that the consumer returns. The bill allows a dealer to refuse
 35 to accept beverage containers for redemption after providing

1 notice to the department of natural resources. The bill
2 eliminates the approval process for a redemption center and
3 instead requires all redemption centers to provide a written
4 notice of operation to the department. The bill also requires
5 all redemption centers to meet applicable health standards.

6 The sections of the bill amending Code sections 455C.1,
7 455C.2, 455C.3, and 455C.4 are effective July 1, 2020. All
8 other sections of the bill are effective upon enactment.